Gain over last year is fifth in a row

Early July sales increase 25 pct.

By Jenny L. King
Staff Writer

Put another plus sign before domestic new-car sales, this time for the July 1-10 selling period.

While the total wasn't spectacular compared with many of the past years, it was up 25.65 percent from the period in 1982, and this was accomplished with one less selling day this year.

Early-July sales, up for the fifth consecutive period, totaled 135,604, with all the domestic makers except Volkswagen of America reporting increases. The 135,604 total was up 25.65 percent from 107,918 a year earlier and was best for the period since 155,852 in 1980. Record sales of 214,912 were posted back in 1973.

Average sales per selling day were 19,372 this year compared with 13,490 in 1982, an increase of 43.60 percent. There were seven days this year, eight in 1982.

General Motors dealers retailed 80,135 new cars July 1-10, up 29.58 percent from 61,844 last year (up 48.10 percent daily rate). Ford Motor Co. was up 8.95 percent, to 31,673 from 29,071 (up 24.52 percent daily rate).

Chrysler Corp. reported a sales gain of 32.08 percent, up to 18,250 from 13,817 (plus 50.96 percent daily rate). American Motors' estimate was 3,650, up 102.78 percent from 1,800 last year.

• It was bad news for VWoA in early July. Honda Accord sales surpassed VW Rabbits by more than 400 units, putting Honda ahead of VW for the first time. Honda has been building Accords in Marysville, O., since the end of 1982 and began reporting sales in January of 1983. VW was down 47.62 percent for the period, to 726 from 1,386 (down 40.03 percent daily rate), while Honda reported sales of 1,170 new Accords.

GM captured 59.09 percent of the market for the period, up from 57.31 percent a year earlier. Ford slipped to 23.36 percent from 26.94 percent. Chrysler climbed to 13.46 percent from 12.80 percent. AMC held 2.69 percent, up from 1.67 percent. VWoA tumbled to 0.54 percent from 1.28 percent, and Honda picked up 0.86 percent.

All five GM makes were up for the period. Buick signed in with a 68.79-percent sales increase, Pontiac was up 57.85 percent, Oldsmobile was up 40.89 percent, Cadillac was up 21.66 percent and Chevrolet was up 3.41 percent.

As Chrysler Corp., Chrysler was up 40.66 percent, Dodge was up 39.35 percent, Plymouth was up 19.51 percent and Imperial was off 40.63 percent.

Ford was down 0.30 percent, Mercury was up 31.83 percent and Lincoln was up 35.11 percent on a year-to-year basis. AMC cars were down 41.67 percent and VW was down 47.62 percent. Renault Alliance and Honda Accord have no year-ago comparisons.

Domestic sales Jan. 1 through July 10 totaled 3,470,632, up 14.06 percent from 3,042,742 last year. Annualized sales based on the early-July results were 6,786,000.

DOMESTIC SALES

	July 1-10, 1983	July 1-10, 1982
Renault		
Alliance	2,600†	.....
AMC	1,050†	1,800†
AMERICAN		
MOTORS	3,650†	1,800†
Chrysler	5,241	3,726
Imperial	19	32
Plymouth	6,187	5,177
Dodge	6,803	4,882
CHRYSLER		
CORP.	18,250	13,817
Ford	20,782	20,745
Mercury	8,963	6,799
Lincoln	1,928	1,427
FORD MOTOR	31,673	29,071
Buick	17,392	10,304
Cadillac	5,848	4,807
Chevrolet	27,715	26,802
Oldsmobile	18,950	13,450
Pontiac	10,230	6,481
GENERAL		
MOTORS	80,135	61,844
VOLKSWAGEN	726	1,386
HONDA	1,170	.....
U. S. INDUSTRY		
TOTAL	135,604	107,918

† Estimate.

Record profits seen for industry by Keller

By Kathleen Hamilton
Financial Editor

There still are gains to be made in automotive stocks, but the time is probably past to double one's investment, analyst Maryann N. Keller told the Automotive News World Congress in her rather upbeat forecast for 1983 and 1984.

She predicted auto makers would be running at sales rates of 9.8 million cars and 3.0 million trucks by the end of the year. Her forecast for actual sales for the year is 9.0 million to 9.2 million cars and 3.0 million trucks.

For 1984, she predicted sales of 10 million cars and 3.4 million trucks.

While this recovery — which she sees lasting at least into 1985 — may not produce record production levels, it "most definitely will set sales and earnings records," Keller said.

Among the indications that sales will continue to grow, evidence from May and June that "consumers are firmly in a buying mood," not only for cars but for all durables.

A "great reservoir of demand" for cars, coupled with lower interest rates and higher levels of consumer savings compared to debt also contribute to her forecast for record sales.

• In addition, profits made from the stock market, the rise in the equity value of homes and high used-car values will encourage new-car buying, Keller said.

She took issue with those who predict the Federal Reserve Board will tighten the money supply to restrict inflation, at least until after the presidential election. The reason, she said, is that the recovery seems at this point to be affecting only consumer spending. Capital spending remains low.

As a result, there is likely to be something less than a rapid, robust, wide recovery that would require high interest rates to cool inflation, she said.

Her forecast for earnings records was supported by the richer mix of cars being sold — meaning more profits for the makers — reduced marketing costs, as fewer and less costly sales incentives are needed, and cost-cutting measures.

In addition, Chrysler will continue to benefit from tax-loss carryforwards into 1984, and General Motors and Ford Motor Co. will have their earnings boosted by investment tax credits, Keller said.

Capital spending has already peaked. Huge cash resources will allow GM to easily be self-financing, even with a 1984 dividend payout of $5 to $5.50 a share, she said.

For 1983, she forecasted GM profits of $3.2 billion ($10 a share) and dividends of $4 a share. That would be more than triple the 1982 earnings of $963 million ($3.09 a share) and nearly double the $2.40 per share dividend paid last year.

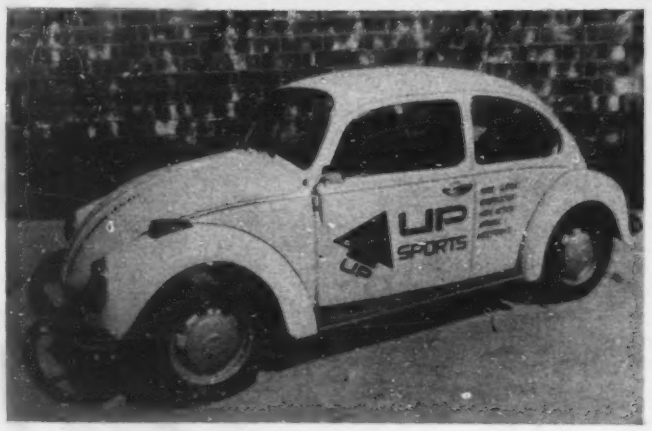
• For Ford, Keller predicted 1983 profits of $1.2 billion to $1.3 billion ($9.00 to $9.50 a share) and dividends of more than $2 a share. Ford has been losing money for the last three years, most recently $658 million ($5.46 a share).

Chrysler Corp. earnings for this year will be up $700 million (more than $6 a share), she predicted. Chrysler made $170 million last year, but would have lost money if it had not sold its defense subsidiary.

American Motors will be the only U. S. car maker to record a loss — more than $2 a share — this year, Keller said. AMC has already recorded a first-quarter loss of $1.21. Last year, AMC lost $2.85 a share.

For 1984, Keller predicted GM earnings of $14 a share, Ford earnings of $16 to $18 a share, and Chrysler earnings of about $1.1 billion, although she qualified that last prediction by saying Chrysler's tax-credits muddy the forecast. She said the company probably will exhaust these tax credits sometime in 1984 to again become a tax-paying corporation.

Keller, who recently left Paine Webber Mitchell Hutchins to become a money manager for Vilas-Fischer Associates, had been ranked the country's top auto analyst for four consecutive years by Institutional Investor.



Beetle Boards return

Peoples Car Co., Solana Beach, Calif., is offering Mexican-made VW Beetles to companies for ad purposes. Modified to meet U. S. standards, they lease for $200 monthly, including graphics, with option to buy after two years.

Exotic engine draws World Expo crowd

By Matt DeLorenzo
Staff Writer

Build a better mousetrap and the world will beat a path to your door, or so the old saying goes.

Francis Waller, designer of the Waller Motor, which made its debut at the second annual Automotive News World Expo, found the auto world beating a path to his booth to check out his new powerplant.

Waller, a retired civil engineer who used to dabble in dirt track racing, said there is nothing radical about the internal combustion part of his motor.

"It still has pistons and valves and other things that a conventional engine has," he said. Where it differs is how that power is translated into rotating output.

"All I've done is replace the crankshaft with a high-leveraged cam," Waller said. "The result is a lightweight engine that produces a lot of power."

The 0.9-liter prototype on display at World Expo has produced 40 pounds-feet of torque at 1,100 RPM in preliminary tests. High torque at relatively low RPMs makes the motor ideal for automotive, light aircraft and marine applications, he said.

Waller's prototype is essentially a six-cylinder horizontally-opposed air-cooled engine. Each bank is arranged in a triangular fashion. Configurations can range from four up to as many as 12 cylinders, Waller said. Later models will also incorporate water-cooling and fuel injection.

The cam which replaces the crankshaft in Waller's engine uses a lobe "having two opposing sinusoidal surfaces." In essence, the surface is similar to a sine wave wrapped around a shaft.

The piston rods ride on each side of the cam, three from one bank on one side and three from the other bank on the other side. Each rod is fitted with a roller bearing.

Waller said the constant linear upward and downward pressure on the cam with no side-to-side movement as in a conventional engine with a crankshaft, reduces engine wear and the pressure needed to "turn the engine over."

The sine wave on the cam has four lobes which means each cylinder in the four-stroke engine fires once every revolution rather than a conventional engine which may have only three cylinders firing on any given revolution. The result is more power.

Waller said by changing the cam and using lobes that provide greater leverage, he can increase the displacement and the power of the engine. A larger cam he's already developed can be fitted to the prototype boosting the powerplant to 1.2 liters and increasing the compression ratio from 7.2 to 1 to 9.3 to 1.

The same engine, with the use of still a larger cam, can be increased to as much as 1.6 liters.

By replacing the crankshaft with the cam in his concept, Waller said he was able to save considerable weight. He estimated that the 1.2-liter version would weigh approximately 160 pounds.

Waller said the concept will work for diesel engines as well and added that he envisions engines as large as 800 cubic inches being built incorporating his idea.

The engine has been under development for four years. Waller said he does not see himself becoming an engine builder. He would rather license the concept once final testing and development is concluded.

Waller, whose father was an inventor, said he would rather stick to his shop working on other ideas. His next one, which was started before the engine, is a fuel-injection system. That project was put on hold "because this one had a better potential."

Car-care center to rise in Oregon

PORTLAND, Ore. — A new $1.2-million Boones Ferry Car Care Center will be built here in the Tualatin - Lake Oswego area by Bob Hanington, owner of Lake Tire Co., as "a shopping center with approach to car care."

The complex will contain three separate single floor buildings containing approximately 18,000 square feet.

Completion of the project is scheduled for December.

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58th year — No. 4977

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Dodge Caravan ready to roll

The Caravan compact van, the first of a number of smaller such vehicles due on the market in the next two years, will make its debut in Dodge dealers' showrooms this fall. The Plymouth version, to be called Voyager, will bow at the same time in Chrysler-Plymouth dealers' facilities.

Campana forecasts growth for minivans

By Kathleen Hamilton and Mary Beth Mayer

Chrysler Corp. has been saying all along it expects to sell 150,000 to 200,000 of its forthcoming minivans/wagons in 1984, when it has the market to itself.

But what about 1986, when General Motors and Ford Motor Co. and possibly a Japanese maker or two enter the fray?

Given a 10-million-car year, Chrysler Marketing Vice President Joseph A. Campana fully expects the company to maintain that sales level.

He told the Automotive News World Congress the entire market for this type of vehicle would be about 500,000 —50 percent sedan intenders, 25 percent station wagon intenders.

As for Chrysler's share in 1986, Campana said, "We are current leaders in wagons derived from vans, at 40 percent of the market. We should be able to achieve between 30 and 40 percent of the market for this vehicle."

That would mean 150,000 to 200,000 units. At full capacity,

Continued on Page 56, Col. 2

Traveling cavalcade to tour U. S.

Volvo, White hail trucking progress

WASHINGON. — As a salute to half a century of trucking progress, Volvo White Truck Corp. and Fruehauf Corp. will co-sponsor a "Cavalcade of Trucking" that will range the length and breadth of the nation for a year as a public relations project of the ATA Foundation.

The 48-foot FBX wedge van supplied by Fruehauf will contain five dioramas and numerous pictures and other memorabilia documenting the progress of the trucking industry since the 1930s.

The White integral-sleeper conventional being built specifically for this mission, will incorporate the latest advances in heavy-truck technology and fuel efficiency.

The countrywide tour will begin in New Orleans in October, coincidental to the convention that will mark the 50th anniversary of the American Trucking Assns., Inc., and the beginning of the organized trucking industry in the United States.

At many stops where the truck will be exhibited, members of the American Truck Historical Society will display vintage trucks from the 30s and 40s alongside the most up-to-date White tractor and Fruehauf trailer.

The Historical Society also has loaned some of the memorabilia for the displays, and at the conclusion of the tour, Fruehauf has indicated it will donate the fully-equipped trailer to the society.

John P. McGill, managing director of the ATA Foundation, said the Cavalcade has great potential as a public relations emissary for the industry.

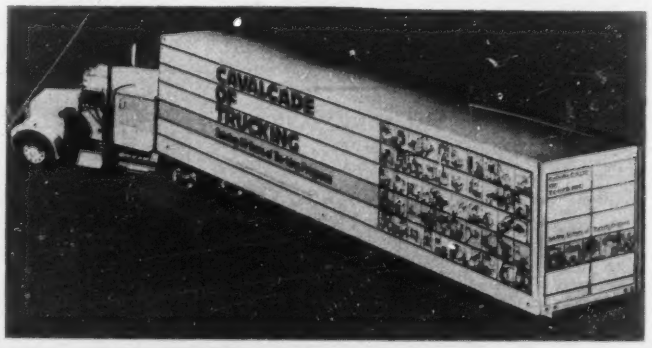
"When we begin to plot the itinerary, it will include a few major trucking events, such as the International Truck Show," he said. "But a majority of the schedule will comprise grass roots stops at state fairs, county fairs, shopping malls and important public events. We also plan to involve local media at every stop."

Members of the ATA's Public Relations Council, representing carriers and supplier industries, have agreed to work with the exhibit at the various stops and will assist in media involvement, he noted.

According to McGill, the Cavalcade concept originated with Patricia McCullough, former public relations manager for Volvo White.

"It was enthusiastically endorsed by Jim Bianchi, PR director at Fruehauf, and marks the first time in the history of the ATA Foundation that two companies have collaborated on a single project," he said.

Jack Thiessen, veteran trucking publicist and president of PR Counselors, Toledo, O., has been selected by the sponsors to manage the development of the project and the national tour.



A long 'one for the road'

A year-long tour of grass-roots America is planned for "Cavalcade of Trucking," a mobile museum that will chronicle 50 years of trucking progress as a project of the ATA Foundation. It is co-sponsored by Volvo White Truck Corp. and Fruehauf Corp.

truck industry news

First-half total up 11.6 pct. over '82

Sales hit four-year high

Retail sales of new trucks of all types in the U. S. in June and the first six months of 1983 reached their highest levels in four years.

In the January - June period, according to preliminary reports, franchised dealers and factory outlets sold 1,493,485 units, an increase of 11.6 percent over last year's 1,338,495.

The six-month total this year was the highest since the like period in 1979, when 1,913,409 new units were retailed.

In June, new-vehicle sales topped the 300,000 mark for the first time since May, 1979. The month's total was estimated at 301,588 units, up 38.7 percent from last year's 217,422 but 5.7 percent below the 319,660 sales in May four years ago.

In 1979, sales exceeded 300,000 units in the first five months, slipping below that mark in June. If sales continue at the June rate in the final six months, the 1983 total would top the three-million mark for the first time since 1979.

• Light trucks, as usual, were the only ones showing an improvement over a year ago, with the compact vehicles setting the pace.

In the January-June period, 1,405,838 new light trucks were retailed in the U. S., an increase of 13.5 percent over last year's 1,238,104 units.

Six-month sales of mediums were down less than one percent, from 22,942 units a year ago to 22,813. Heavies were off 16.3 percent through June to 64,834 units, compared with 77,449 in 1982.

In the first half, 512,290 compact trucks were retailed in the U. S., an increase of 36.3 percent over last year's 375,919 and a new high for these vehicles.

The small domestic trucks continue to increase their share of this market, although all of the imported makes with the exception of the captive vehicles scored impressive gains over last year.

Through June, the domestic compacts had 58.8 percent of the market with 301,242 sales. The total was 70 percent higher than last year's 187,111, which gave the domestics 49.8 percent of the market.

Six-month sales of the imported compacts, both captive and non-captive pickups, totaled 211,048, a gain of 11.8 percent over the year-earlier 188,808.

This year through June, the imports accounted for only 41.2 percent of the compact-truck segment, compared with 50.2 percent in the like period in 1982.

• Both domestic and imported compacts had great months in June, although the latter suffered a sizable drop in market share.

During the month, sales of the domestic compacts totaled 68,395

Continued on Page 57, Col. 4

Quality equal to Japan claimed for U.S. Nissan

By Jack Walsh
Truck Editor

The quality of the compact Nissan pickup trucks being built in the U. S. is as good as that of the imported vehicles and is a "direct reflection of teamwork, trust and open communication" at Nissan Motor Mfg. Corp. U.S.A.

That was the gist of comments last week by Marvin T. Runyon, the company's president, at the eighth annual Automotive News World Congress.

"We shipped several of our pre-production trucks to Japan for evaluation, and they found the quality equal to or, in some respects, better than the quality of vehicles imported from Japan," he said.

Production of 1983½ models began in the giant, all-new $660 million manufacturing and assembly complex in Smyrna Tenn., June 16, two months ahead of schedule and a little more than two years after the groundbreaking.

At the start, the company — a subsidiary of Nissan Motor Co., Ltd., Tokyo — turned out six units a day, and Runyon said production will accelerate gradually over the next year.

"We expect to be producing around 7,500 units monthly by the end of this year and up to 10,000 monthly by mid-1984," he said.

"Trucks will continue to be manufactured at the Kyushu plant in Japan and will provide the difference between our capacity and demand, thus providing security for our American employes during the valleys of demand that do occur."

He noted that the parent firm's other U. S. subsidiary, Nissan Motor Corp. U.S.A., hopes to sell 129,000 compact trucks during the current fiscal year which ends in September.

"They have already sold over 96,000, which is up 38.5 percent from the previous year to date," he added. "All consumer research on our new mid-year model indicates that it is far superior to its predecessor, and, in fact, more than competitive with any of the existing domestic and import products."

Runyon called the proposed domestic-content legislation a "critical problem," and added:

"If passed in its present form, it will seriously jeopardize our Tennessee operation along with many U. S. suppliers who are not capable at the present time of producing components without some foreign content."

• Currently, about 41 percent of the U. S. Nissan's parts and components are sourced in the U. S., Runyon said, higher than the 38 percent which the firm originally had estimated at production startup.

"Our objective is to increase our U. S. sourcing as rapidly as possible," he added.

Runyon explained that materials sourced in the U. S. must be equal to or better than the quality of those imported from Japan, costs must be equal to or lower than the offshore items and delivery performance must

Continued on Page 57, Col. 1

Strong rebound is predicted for trucking industry

In spite of the many problems which have plagued the trucking industry since the late '70s, it will "weather the storm . . . because America depends on trucks," Lana R. Batts, managing director, American Trucking Assns. Research & Policy Analysis Division, told the eighth annual Automotive News World Congress.

"Trucks move three out of every four tons of freight, and serve 41,000 of America's communities not served by rail," she said.

Deregulation, "awesome lia-

Continued on Page 56, Col. 3

world news briefs

German output slips

Passenger car production in West Germany in the first quarter of this year slipped by 7.8 percent (913,600) compared with the same period one year earlier. Commercial vehicle production was down 4.3 percent (68,700).

Turnbull leaves Talbot

George Turnbull is to leave his position as chairman and managing director of PSA's Talbot Motor Company at the end of this year. However, he has been re-elected president of the Society of Motor Manufacturers and Traders for a second year.

Opel hits 20 million

Adam Opel's 20 millionth vehicle — a Senator sedan — was produced in May. Its best sellers have been the upper medium Rekord (6.9 million) and lower medium Kadett (6.5 million).

Dutch Volvo goes gas

Volvo Car, of Holland, is to purchase Vialle, one of Europe's largest manufacturers of LPG (Liquified Petroleum Gas) conversions for passenger cars. An LPG option is a significant sales factor in the Dutch and Italian markets.

Jaguar tackles Germany

Creation of a new and separate company in West Germany is the latest move by Jaguar Cars to establish itself in the home market of its two chief competitors, BMW and Daimler-Benz. Jaguar sales in Continental Europe rose 48 percent (to 1,476) in the first five months of 1983.

French buying foreign

Import levels in France continue to rise. In the first four months of this year the share of foreign-made new cars amounted to 32.7 percent, compared with 27.8 percent one year earlier. The total market declined by 2.5 percent to just under 693,000.

4x4 for T2

Volkswagen's Type 2 Transporter van is to be offered with a four-wheel-drive option. VW's supplier is Steyr-Daimler-Puch, of Austria, which is also supplying 4x4 units for Fiat Pandas (around 11,000 a year).

GKN goes for the record

British engineering group GKN is one of the sponsors of Thrust 2, in which Richard Noble will make his third attempt at the World Land Speed Record. The location for this month's runs is Black Rock Desert, Nevada. The target is 622-MPH.

Economical engine

Ford of Europe's new 1.6-liter diesel is reputed to be very economical. Leaked figures suggest it will return the equivalent of 58-MPG (U.S.) at a constant 56-MPH when fitted to two of the three new models in which it will be used.

UK production up

The SMMT reports that UK car production in the first five months of this year amounted to 445,000, compared with 403,000 a year earlier. May output (102,000) was the highest for four years.

Sinclair's three-wheeler

Inside information is that Sir Clive Sinclair's proposed electric vehicle will be a three-wheeler in which all wheels steer and the body tilts in corners. Sinclair, head of a very successful electronics company, has stunned competitors with low retail prices. The same principle is expected to apply to any vehicle he makes.

This year's best sellers

Ford of Europe believes it has Escort and Sierra topping the continent-wide list of best sellers for the opening quarter of this year—a significant factor in Ford's overall market leadership. Its provisional returns on a model by model basis are: Escort, 132,000; Sierra, 118,200; Opel Kadett/Vauxhall Astra, 118,000; VW Golf, 116,000; Renault 9, 110,500; Opel Ascona/Vauxhall Cavalier, 106,600; Renault 5, 103,200; Ford Fiesta, 98,900.

Golf getting ready

Volkswagen will release full details of its new Golf II on Aug. 10. The car will go into production at Wolfsburg after the summer shut-down — but will not be made in the U. S. until the following year.

PRODUCTION

Country	1980	1982	1983	1990
Light commercial vehicles				
France	375.5	324.5	292.4	341.8
Italy	115.9	112.6	126.0	133.3
Spain	107.1	100.8	108.7	103.7
UK	223.4	158.0	175.2	187.1
West Germany	266.2	195.7	196.8	260.8
Total	1,088.1	891.6	899.1	1,026.7
Light, medium, heavy trucks				
France	61.4	44.6	42.0	61.5
Holland	15.9	11.0	11.3	14.9
Italy	42.2	36.4	37.2	47.5
Spain	22.6	21.8	22.8	23.8
Sweden	55.1	49.6	46.6	62.1
UK	104.0	66.6	61.9	83.2
West Germany	180.9	169.9	145.3	204.1
Total	484.1	399.8	367.1	497.1

REGISTRATIONS

Country	1980	1982	1983	1990
Light commercial vehicles				
Belgium	20.6	19.3	19.0	23.5
France	271.6	311.9	273.2	302.3
Holland	32.4	27.9	27.7	28.5
Italy	117.9	128.9	112.9	124.9
Spain	65.9	72.9	72.2	69.2
Sweden	11.1	12.1	11.3	14.0
UK	194.2	171.7	184.7	209.2
West Germany	143.8	113.3	119.7	152.9
Total	857.5	858.0	820.7	924.5
Light, medium, heavy trucks				
Belgium	9.3	7.4	7.6	9.5
France	43.7	40.9	37.3	45.1
Holland	13.8	9.5	9.9	12.2
Italy	28.8	23.0	25.1	32.5
Spain	20.1	19.9	20.4	25.3
Sweden	7.5	5.3	5.8	7.7
UK	61.3	45.3	50.7	62.8
West Germany	78.5	49.0	54.5	75.9
Total	263.0	200.3	211.3	271.0

(Figures x 000)
Source: DRI Europe, London.

Bedford — by way of Japan

Bedford will hit 80 percent local content when production of the Isuzu-designed WFR one-ton van gets fully under way. Output will begin next year, as part of a $110 million investment to improve Bedford's UK facilities and commercial opportunities.

Bedford prepares Isuzu-designed truck

GM invests $110 million in British project for one-ton van

The $110-million investment being put into Bedford by General Motors is to introduce a Japanese-designed vehicle into the production lines at Luton, England.

Starting next year, Bedford will begin producing the WFR, a one-ton panel van which originated with Isuzu, of which GM owns 34.2 percent.

It will fit between the small Astra, a van derived from the Opel Kadett passenger car, and Bedford's own CF van, which is considerably larger.

John T. Battenberg III, Bedford Commercial Division's general manager, said the one-ton van market in Europe totals around 250,000 units a year.

But much of the competition stems from Japanese imports (Toyota, Nissan, Toyo Kogyo and Mitsubishi). European-made vans tend to be larger and heavier — like the CF.

The WFR is about 13 percent smaller and about 10 percent narrower than the smallest version of the Bedford CF.

Bedford believes it will avoid anti-Japanese sentiments — in particular in France and Italy — because of the high local content which is planned.

"The new Bedford van will have major UK content, which, it is planned, will rise to 80 percent when full volume production is achieved," Battenberg said.

Bedford's content will initially include all sheet metal, hard and soft trim, seats, glass, fuel tanks, exhausts, wheels, tires and other trim. Further substitution with locally sourced components will be made, according to Bedford.

The investment will go into improving Bedford's van facilities at Luton, including modernization of body, trim and final assembly lines. The latest in body protection systems, known as ELPO, will also be installed.

Bedford will sell the vehicle in the UK. In the remainder of Europe it will be sold alongside other Bedford and Isuzu products by GM's recently formed Convesco sales organization based in West Germany.

Donald J. Atwood, vice president and group executive in charge of GM's worldwide Truck and Bus Group, reports that the investment is additionally "in preparation for world vehicle projects of the future."

Bedford has been separated from the Vauxhall passenger car operation, from which it was created in the 1930s, and is now part of the World Truck and Bus Group with headquarters in Pontiac.

Another bad year for trucks

As Europe's export slide continues

The European truck industry faces a third year of declining output as the collapse of exports to the Middle East and Africa which began during 1982 continues, forecasts DRI Europe.

Exports of trucks (over 3.5 tonnes) beyond Europe will decline by almost 30 percent this year, dragging production down by a further 10 percent despite a modest improvement in the European domestic market.

DRI Europe's look at the European truck industry up to the end of this decade provides forecasts of registrations, production, use and weight - limit sectors for eight European countries.

It believes that a limited recovery will begin in Europe this year, but with economic growth in the main economies averaging less than one percent more solid recovery will be delayed until 1984-85.

With faster economic growth in these years underlying replacement will at least be translated into improving sales, says DRI.

But, it forecasts that the number of trucks on the road in Europe will barely increase across the next decade. The higher demand for road haulage will be met by still increasing numbers of heavy trucks.

The peak demand of the late 1970s will not be surpassed during this decade, the survey believes.

In the medium term the industry will be increasingly dependent on European sales, both because major markets develop indigenous production and because there will be no repeat of recent oil-induced export booms.

DRI predicts that exports beyond Europe, as a percentage of production, will fall to 44 percent by 1985, compared with 56 percent last year.

Volvo is big in many fields

Volvo Car Corp. is part of Volvo AB, Sweden's leading export company, accounting for approximately 11 percent ($2.5 billion) of the nation's total by value.

Volvo AB's established activities (passenger cars, trucks, buses, marine engines) have been augmented in recent years by developments in the fields of energy, food, compressed air equipment (Atlas Copco) and forestry (Stora Koppaberg). Its sales last year were equivalent to approximately $10 billion, up more than 50 percent over 1981. Income before allocations and taxes topped $300 million. There were 75,100 employes at the end of 1982, 56,700 in Sweden.

Volvo Car Corp. is owned 85 percent by Volvo AB and 15 percent by Renault, which has an option to increase that to 20 percent by 1985. VCC has a 30 percent interest in Volvo Car BV of Holland, which makes the 300-series cars. The other 70 percent is held by Dutch state interests.

VCC production totaled 227,700 in 1982 including vehicles made in Belgium, Canada and other countries. That was up more than 8 percent over 1981.

Last year the U. S. was the leading car sales area for Volvo (73,100), followed by Sweden (57,500) and the UK (51,700). So far this year second and third places are reversed.

Worldwide Volvo sales last year were 317,000 compared with 290,000 in 1981.

BMW 524

First diesel from BMW

And new engine looks like a pacesetter

By Richard Feast
European Editor

As a company committed to advanced engineering, it was inevitable that BMW's first foray into the diesel market should be a pacesetter.

As Dr. Karlheinz Lange, head of engine development, points out, the company's new turbo diesel is more powerful, lighter and more economical than any equivalent opposition.

The 525 td sedan is the fastest production car of its type and the one with the best acceleration.

In other words, the development is one which BMW's competitors will have to take very seriously indeed. BMW's declared aim is to offer the turbo diesel power unit as original equipment to other auto makers.

Ford Motor in the U. S. is one customer. Starting in September it will take a total of 190,000 units over a three-year period, to be fitted initially in the Mark VII.

BMW will, of course, use the turbo diesel. Hans Erdmann Schonbeck, board member responsible for sales and distribution, reckons it will account for around 20 percent of 5-series production.

At current rates, that will be around 25,000 units a year.

Both these requirements are well within the present limits of the new BMW Motoren factory in the Austrian town of Steyr.

The factory makes three BMW six-cylinder engines—M1 2-liter gasoline, 2.7-liter Eta and 2.4 turbo diesel—at a rate of 150,000 a year.

However, the plan is to double that capacity to 300,000 by 1986. To some extent it will replace engine-building capacity in the overcrowded Munich location. There is also the expectation that Steyr will produce a new generation of gasoline engines at that time.

But that expansion also occurs at a time when the Ford contract is just running out.

BMW Motoren is a wholly-owned subsidiary of BMW AG, which bought out its original Steyr-Daimler-Puch partner in February last year. The company is almost entirely Austrian, including the whole board of management under chairman Dr. Robert Buchelhofer.

Explains Ing. Rudolf Arta, board member responsible for production: "We are part of a new BMW concept. We have the task from the parent company to sell to customers all the engines which are produced in BMW, especially those produced here (in Austria) and especially the diesel."

BMW officials are secretive about possible customers, but the auto companies without diesel programs of their own these days are very thin on the ground. Ford could continue buying from BMW, but beyond that it is difficult to imagine which companies are going to need to buy-in reputedly expensive turbo diesel units from BMW.

Steyr has a long tradition of metal working. The town is one thousand years old and served as an armorer for the Austro-Hungarian Empire.

The original plan was that the engine factory would be jointly owned by BMW and Steyr-Daimler-Puch, the four-wheel-drive, commercial vehicle and military contractor.

Ground-breaking on the site began in the middle of 1979, and first engines began to flow in the middle of last year.

By that time, though, BMW had taken full control, and had dropped out of a more long range plan to develop a direct injection diesel with SDP.

The factory represents a $275 million investment—with an additional $160 million to be spent on the 1986 capacity increase.

It employs 1,000 people, a number which will double when the development is complete. It includes 120 development engineers, employed in a $14 million R&D center said to be the most modern of its kind in the world.

Flexibility of production between the three engine types is the key. Watching cylinder blocks moving down the same line together, it takes an expert eye to pick a diesel from an Eta from an M1. (The diesel is less than half an inch taller.)

Indeed, Eta and diesel engine programs were run in parallel from the beginning. BMW made the decision to do the dual project in 1976, and presented the engines in 1978. The low-revving, high-torque Eta gasoline engine preceded the diesel into production by about a year.

The turbo diesel has a capacity of 2.4 liters. Power output is 115-HP and torque is 152 pounds feet at 2,400-RPM.

BMW admits that the relatively high outputs were prompted by Ford, which wanted the unit for its 4,000-pound Lincoln. A BMW official said: "That's about the weight of our 7-series, and we would not put that engine into that car."

Instead, BMW's first use is in the 5-series, which in diesel form weighs under 2,900 pounds. It goes a long way towards explaining the spritely performance of the German car.

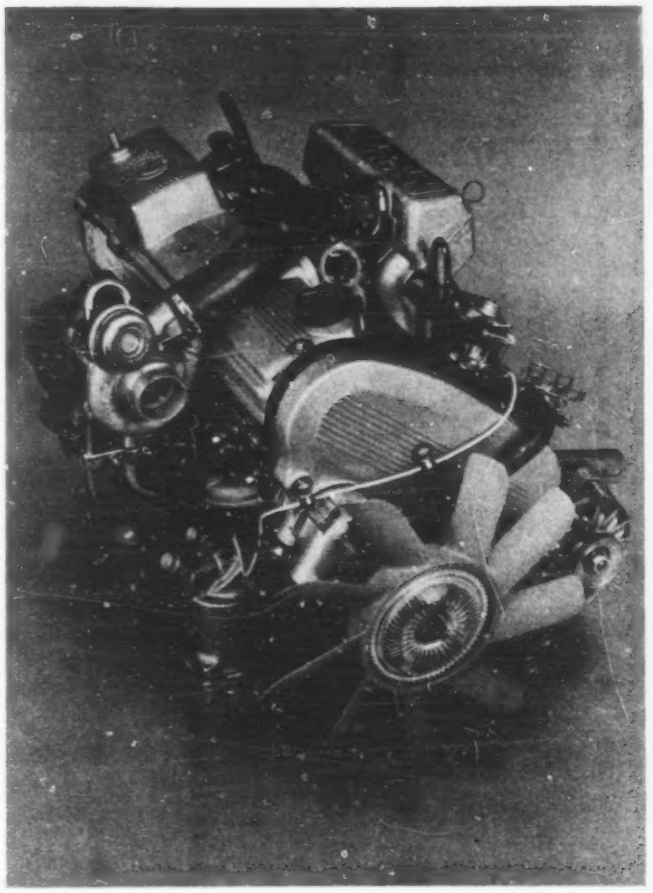
A top speed of 112-MPH (manual) is quoted, together with acceleration from rest to 62-MPH in 12.9 seconds. They are statistics which bring a whole new dimension to diesel car driving.

BMW quotes fuel consumption on the ECE cycle (56-MPH, 75-MPH, urban) with the equivalent of 45.2, 33.6 and 26.1-MPG.

Transmissions are either five-speed manual or ZF's very efficient new four-speed automatic.

Hans Erdmann Schonbeck sees the current easing of diesel demand as nothing more than temporary. He believes that diesels will account for 10 percent of total U. S. sales by 1985, and 15 percent in Europe in the same period.

Key European markets will be in West Germany, Italy, France, Belgium and the Netherlands. The car is now going on sale across Europe and will be exported to the U. S. from the spring of next year.



BMW turbo diesel

REGISTRATIONS OVERSEAS

WEST GERMANY

Cars	5 mos., 1983	5 mos., 1982
Alfa Romeo	5,811	5,347
Bertone	439	123
BL	2,254	1,923
BMW	74,260	61,310
Daihatsu	2,682	2,729
Fiat Auto	45,371	46,693
Ford	137,008	114,154
General Motors	222,715	200,212
Honda	15,194	14,108
Isuzu	251	.....
Lada	3,769	3,053
Mazda	23,984	17,141
Mercedes-Benz	111,053	106,206
Mitsubishi	17,785	15,390
Nissan	19,612	17,886
Peugeot SA	43,704	47,496
Citroen	19,223	20,639
Peugeot/Talbot	24,481	26,857
Pininfarina	275	.....
Porsche	5,803	4,842
Renault	43,902	46,702
Saab	1,692	1,220
Skoda	726	649
Subaru	2,399	1,682
Suzuki	5,746	4,550
Toyota	23,243	17,633
VAG	327,954	318,158
Audi	82,956	60,117
Volkswagen	244,998	258,041
Volvo	7,076	5,341
Others	642	646
Total	1,145,350	1,055,487

UNITED KINGDOM

Cars	5 mos., 1983	5 mos., 1982
Alfa Romeo	4,023	3,971
BL	145,174	120,342
Austin Rover	140,905	116,218
Jaguar	3,143	2,968
Range Rover	1,126	1,156
BMW	11,971	10,913
Daihatsu	1,995	2,148
Fiat Auto	20,946	22,554
Ford	235,771	204,301
FSO	1,724	1,160
General Motors	111,902	80,429
Honda	6,901	6,502
Hyundai	1,377	981
Lada	8,059	6,726
Lotus	192	184
Mazda	7,255	5,508
Mercedes-Benz	6,573	5,908
Mitsubishi	3,832	3,045
Nissan	39,746	37,467
Panther	28	14
Peugeot SA	47,484	44,992
Citroen	11,954	11,029
Peugeot/Talbot	35,530	33,963
Reliant	45	62
Renault	29,583	29,802
Rolls-Royce	332	417
Saab	4,212	4,284
Skoda	4,626	3,326
Subaru	1,234	1,037
Suzuki	1,539	1,255
Toyota	12,329	10,725
VAG	46,830	39,061
Volvo	28,221	22,572
Zastava	1,657	842
Others	2,334	1,734
Total	787,895	672,264

SWEDEN

Cars	5 mos., 1983	5 mos., 1982
Alfa Romeo	258	203
BMW	1,506	1,445
Daihatsu	366	444
Fiat Auto	1,990	1,883
Ford	8,386	9,178
General Motors	8,323	8,898
Honda	1,278	1,598
Lada	763	1,225
Mazda	4,449	3,903
Mercedes-Benz	1,614	2,204
Mitsubishi	676	568
Nissan	2,100	2,020
Peugeot SA	2,632	2,562
Porsche	90	62
Renault	860	888
Saab	12,195	12,568
Skoda	148	194
Subaru	232	113
Toyota	3,384	3,437
VAG	9,214	10,723
Volvo	26,232	24,439
Others	16	22
Total	86,712	88,577

JAPAN

Cars	4 mos., 1983	4 mos., 1982
Daihatsu	38,845	27,131
Fuji	25,099	23,957
Honda	79,127	77,117
Isuzu	20,798	21,078
Mitsubishi	64,590	84,845
Nissan	283,583	278,784
Suzuki	30,578	19,499
Toyo Kogyo	90,056	81,368
Toyota	409,103	385,332
Imports (all)	11,108	11,305
Total	1,052,887	1,010,416

DENMARK

Cars	4 mos., 1983	4 mos., 1982
Alfa Romeo	114	49
BL	42	224
BMW	763	751
Fiat Auto	1,677	1,795
Ford	6,015	5,424
General Motors	5,213	5,360
Honda	502	206
Lada	1,854	2,146
Mazda	4,155	3,821
Mercedes-Benz	290	343
Mitsubishi	341	444
Nissan	3,014	1,157
Peugeot SA	2,718	2,642
Polski	174	127
Renault	237	265
Saab	858	800
Skoda	2,794	2,928
Subaru	114	97
Toyota	3,974	2,309
Trabant	55	1
VAG	1,984	2,040
Volvo	1,449	1,335
Wartburg	414	58
Total	40,203	35,153

FRANCE

Cars	3 mos., 1983	3 mos., 1982
Alfa Romeo	7,146	6,959
BL	7,202	5,648
BMW	8,628	8,043
Fiat Auto	21,203	23,622
Ford	39,259	29,743
General Motors	20,574	11,504
Honda	2,077	1,474
Innocenti	384	263
Lada	5,861	4,878
Mazda	3,830	3,207
Mercedes-Benz	4,459	4,580
Mitsubishi	1,123	1,030
Nissan	4,430	3,724
Peugeot SA	167,858	177,196
Citroen	70,278	72,794
Peugeot	73,140	71,295
Talbot	24,440	33,107
Polski	523	306
Porsche	455	360
Renault	168,410	209,157
Saab	160	24
Skoda	957	872
Toyota	3,501	2,336
VAG	31,799	30,227
Volvo	2,979	2,647
Zastava	581	225
Total	503,763	527,825

Carpenter details two major trends in auto industry

A new environment for suppliers

By Matt DeLorenzo
Staff Writer

As the auto industry continues to change, suppliers will have to adapt to new ways of doing business in order to remain competitive, Edmund Carpenter, senior vice president of ITT Automotive Products Group, told the first-night audience at the Automotive News World Congress.

Two trends that are dictating the path both manufacturers and suppliers will travel in the future, according to Carpenter, are larger production of fewer model families and a greater need for product differentiation within those models.

Both trends necessitate changes that will mean either success or failure, he stressed.

Looking at the first trend, larger production of fewer models, Carpenter said the trend "is driven by the need for cost reduction in order to retain competitive pricing."

"The need for cost reduction in turn leads to international procurement of components," he said. "As they strive to be competitive the OEMs show little reluctance to cross national boundaries once the economics are favorable."

Higher production of fewer models is also responsible for a move toward sole sourcing of specific components.

"This provides higher, and therefore, more-cost-effective volumes to suppliers," Carpenter said.

As manufacturers strive to build more cars in fewer model families, Carpenter said there is pressure to go for shared investments and joint ventures. "The OEM's objective here is clear -- each partner could not produce as economically on a stand-alone basis."

• The result, according to Carpenter: "World production is becoming a reality. It is not yet the much-heralded world car, but the industry is already taking a worldwide approach to its design, sourcing and marketing objectives.

"As was said at a recent industry convention in Europe, the world car refers really to a business concept rather than to any one specific vehicle. But most importantly, another speaker summarized it as follows, 'There are no world cars, only world components made on a vast scale. This is the real crux of the world car concept.'"

Carpenter said the first trend is responsible in part for the second — the need for product differentiation within models. As manufacturing and sourcing become more universal, product content becomes more important in distinguishing one car from another.

An important factor impacting these two trends, Carpenter said, is national interest. Both trends call for a global approach to supply and manufacture.

Yet, he said, "any industry operates within a series of individual national environments. Each national government exercises its own strong influence over what companies can do and how they try to do it."

Carpenter said this impact is felt several ways. Countries can protect those industries felt to be vital to the well-being of their economies through tariffs and restrictions. In addition to protecting their own industries, countries also view balance of trade as another national interest.

"This calls for assistance from the auto industry, which is often a significant source of deficit or surplus, as the case may be," Carpenter explained. "For many countries, foreign earnings from car and component sales help finance the imported energy bill."

• Transportation policies are also in the national interest and individual countries' approach to those policies affect the viability of the automotive industry within those boundaries.

"Together with speed limits and other regulations, they all tend to foster differences among industry and market conditions from country to country," Carpenter said.

National interests aside, Carpenter said the implications from the two trends are many.

"Obviously, there will be fewer, but very large contracts for the supply of components and those contracts will be longer in duration," he said. "For the supplier, this means that it is fine if you win them. But if you don't, you may have to shut down a lot of capacity."

Larger contracts also mean greater research and development commitments in order to win those accounts.

"Much of it (R&D spending) is before he knows whether the contract is won or lost," Carpenter said. "It naturally favors companies with the financial resources to sustain such commitments in the face of potential failures."

Carpenter said the larger contracts also mean closer relationships with manufacturers in order to minimize the risks for both parties.

"OEMs need to evaluate more carefully the management strength and financial resources of their sole suppliers for large contracts, over and above the depth of their technology and manufacturing expertise," he said.

Carpenter said on the other side, "suppliers will evaluate their OE opportunities more carefully. They have to scrutinize volume projections and make more thorough independent analysis of the likely success of car models."

One threat to global sourcing by component manufacturers, he said, is a trend toward in-sourcing that may result from joint ventures on the part of OE manufacturers.

"In the face of the threat of more in-sourcing, the traditional defenses of the independent component makers remain unchanged," he said. "He has two fundamental choices: Either provide proprietary technology content not possessed by captive sources, or be the lowest cost manufacturer."

As for product differentiation within those few car families, Carpenter said "a key ingredient here is flexibility in production and in responding to individual requirements of manufacturers. Inevitably, suppliers of option components will be more vulnerable to fluctuations in market trends reflected in sales performance of individual model lines."

U. S. Nissan claims quality equal to that in Japan

Continued from Page 14

be tops to avoid excessive inventory expenses.

Retail prices of the Nissan trucks built in the U. S. will not be any lower than those for the imported models on which a 25 percent federal duty is paid, he said.

"Labor costs in the U. S. are about 80 percent higher than those in Japan, so prices won't be affected by the relief from the 25 percent duty," Runyon explained. "Also, we still have to pay a 4 percent duty on parts and components which we import."

Runyon dwelt at length on Nissan Motor Mfg.'s non-union work force, and the benefits to both employes and the company.

• He noted that teamwork and group decision making are stressed repeatedly in the company's management philosophy.

"We began with an initial survey of all employes and followed that with workshops for small groups, where we explained how participative management could work," Runyon said.

"We solicited everyone's ideas about how we could make it work in our particular situation and everyone contributed. After many months, we came up with a statement of philosophy which creates a value system that is a universal bond among all our employes.

"It states that our one and only objective is to produce the highest quality truck sold in North America," he said. "In that document, we state that people are our most valued resource, and that all aspects of our business should reflect the highest standards of dedication and ethics."

The company's wage and benefits programs are generally comparable to the American auto industry, Runyon noted.

From the beginning, he said, Nissan has pledged to make company and employe goals as compatible as possible, striving to maintain a "companywide atmosphere of mutual cooperation."

"We feel that the unionization of our employes would not be in the best interest of either the employes or the company," Runyon said. "We honestly believe that our employes do not want or need a union or any other third party to speak for them."

He observed, however, that the "verdict is still out on how successful we will be in doing the many things we have undertaken."

Lynch honored

MANCHESTER, Conn. — Michael B. Lynch, president of Lynch Motors Inc. (Toyota-Pontiac), has been elected an incorporator of the Manchester Memorial Hospital.

Big Three June, year-to-date sales

	March		Year to date	
	1983	1982	1983	1982
Ford				
Vans	17,633	12,726	83,246	63,788
Club Wagon	3,426	4,511	16,018	17,035
Ranger	21,905	11,386	95,416	45,744
Courier	.....	4,437	5,657	17,910
Bronco	3,637	3,958	21,830	22,362
Bronco II	6,954	.....	19,436	.....
Pickups	43,270	34,741	215,176	228,025
Mediums & Heavies	3,272	4,300	18,744	23,985
Chevrolet				
Vans	14,152	9,556	74,454	53,060
Sportvan	2,018	1,642	10,071	8,751
S-10	20,698	12,596	96,130	96,776
S-10 Blazer	9,418	.....	46,235	.....
LUV	241	1,187	3,007	14,144
El Camino	2,134	1,657	10,300	11,321
Blazer	2,696	1,427	14,810	15,794
Suburban	4,169	1,974	19,499	16,118
Pickups	36,689	29,978	190,377	212,535
Mediums	1,738	1,744	7,391	8,009
Chrysler				
Vans	8,193	5,675	37,995	31,626
Voyager	617	436	2,735	2,811
Ram Wagon	4,423	2,945	19,656	15,925
Arrow	82	507	815	3,390
Ram 50	3,099	2,694	13,175	18,130
Trail Duster	.....	.....	.....	244
Ramcharger	1,888	1,210	10,670	5,991
Scamp	317	.....	1,670	.....
Rampage	1,373	1,956	6,097	9,481
Pickups	7,882	7,838	44,596	43,884
GMC				
Vans	4,706	2,507	25,113	14,580
S-15	4,768	3,141	21,681	20,679
S-15 Jimmy	2,090	.....	8,715	.....
Jimmy	746	577	3,665	3,947
Caballero	207	192	1,040	1,476
Suburban	1,135	895	5,897	5,362
Pickups	9,188	9,096	51,193	57,821
P Models	464	294	1,859	1,766
Mediums	1,515	1,857	9,263	13,296
Heavies	475	678	3,587	5,323

Truck sales in first half are highest since 1979

Continued from Page 14

units, up 121.4 percent over the year-earlier 30,891. The imports were up 39.6 percent, from 29,622 in June a year ago to 41,349.

The domestics accounted for 62.3 percent of the small-truck market in June, compared with 51 percent in the same month last year. The imports' share dropped from 49 percent to 37.7 percent, their lowest ever.

Sales of the compact trucks, domestic and imports, topped the 100,000 mark in June for the first time. The total was 109,744 units, an increase of 81.4 percent over last year's 60,513.

A big June enabled Ford to replace Chevrolet as the industry's No. 1 truck retailer at the halfway point. Ford dealers sold 100,097 units during the month, up 31.6 percent over last year's 76,059 vehicles.

Through June, the Ford total was 475,523, an increase of 13.5 percent over last year's 418,849 and more than 3,000 units higher than Chevrolet's six-month count.

• Chevrolet dealers retailed 93,953 vehicles during the month, a gain of 52.1 percent over the previous year's 61,761. The six-month total was 472,274, up 7.5 percent from the 439,508 units sold in the first half of 1982.

Dodge and Chrysler-Plymouth dealers sold 27,874 light trucks during the month, an increase of 19.8 percent over the year-earlier 23,270. Through June, the count was up 4.5 percent, from 131,482 units last year to 137,409.

GMC reported 25,294 retail sales in June, 31.5 percent higher than the 19,237 sold in the same month a year ago. The six-month total was up 6.2 percent to 132,013 units, compared with 124,250 a year ago.

In June, sales of four-wheel-drive Jeep vehicles totaled 7,184 units, up one percent over the year-earlier 7,080. Through June, the count was 35,924, an increase of 11.2 percent over the 32,156 units retailed in the first half of 1982.

Volkswagen dealers sold 482 compact pickups in June, off 42.4 percent from the year-ago 837. The six-month count was down 54 percent, from 7,129 units last year to 3,278.

• Impressive June and first-half gains were reported by all of the distributors of the non-captive imported pickups.

Toyota dealers sold 17,160 units during the month, up 79.2 percent over the year-earlier 9,578. Through June, the total was up 23.3 percent to 79,358, compared with 64,344 in 1982.

June sales of Datsun-Nissan pickups were 88.8 percent higher than last year, 12,684 versus 6,718. The first-half count hit 60,700 units, an increase of 37.3 percent over the year-ago 44,197.

During the month, Mazda dealers retailed 5,178 vehicles, a gain of 74 percent over last year's 2,976. The six-month total was 83.7 percent higher, from 18,094 in 1982 to 33,245 units.

Isuzu dealers sold 2,206 units in June, an advance of 44.7 percent over the previous year's 1,525. The total through June climbed to 11,125 units, up 29.4 percent over the 8,599 retailed in the like period a year ago.

June sales of the Mitsubishi compacts, which made their debut in the U. S. market last fall, totaled 689 units and brought the six-month total to 3,966 vehicles.

Chevy for Sylvester

HIGHLAND, N. Y. — M & S Chevrolet Inc., has been formed here by Michael A. Sylvester.

With Ford on vacation, GM builds 82 pct.

107,838 cars assembled for week

By Mary Beth Mayer
Staff Writer

Last week's domestic car production rose 21.50 percent above the total of the previous holiday-shortened week.

Output last week was slated at 107,838 cars, up from the prior week's 88,758, and up 17.71 percent from the 91,610 built in the year-ago week.

Without competition from the vacationing Ford Motor Co. facilities, General Motors produced 82.82 percent of the cars last week.

Breakdown for the week by other companies was: Chrysler Corp., 13.72 percent; American Motors, 2.16 percent, and Honda, 1.30 percent.

Year-to-date, the makers have assembled 3,516,432 automobiles, a 21.72 percent gain from last year's 2,888,880.

Three GM points closed at the end of last week for model changeover. The Detroit plant will be closed until Aug. 22, Flint's B and C lines will be down until Aug. 8 and Willow Run will be back to work Aug. 15.

Volkswagen of America's Westmoreland plant began a three-week shutdown for model changeover last week.

Two companies return to work this week and two others resumed production last week.

AMC and Honda worked last week after summer vacations.

Chrysler's St. Louis point returns this week after three weeks of model changeover in preparation for the launch of the 1984 front-wheel-drive, two-door models.

Ford facilities are back at work today (July 18) after two weeks of vacation.

Saturday overtime was scheduled last week at GM's Arlington, Lansing and Flint G-line points. Working daily overtime were Chrysler's Belvidere, Jefferson and Newark points.

Auto industry's turnaround is charted by Caldwell

Continued from Page 2

convinced we are destined for modern-day oblivion."

Caldwell said there are those in the country who, rather than create an environment in which the U. S. auto industry can thrive, would "allow our basic wealth-producing industries — including the automobile industry — to atrophy. They are content to turn their sights toward what has been described as the post industrial society.' "

That society, Caldwell explained, would have a large percentage of the workforce shifting to low-paying, low-skilled and low-productivity jobs in service industries.

"Well, I ask, are we prepared to make this transition and accept its consequences?" he said. "Are we willing to shrink our market and our standard of living as we reduce our capacity to produce competitively and our capacity to buy the goods we do produce?

"Will we be content to be virtually dependent — whether in peacetime or time of emergency — upon imports for our steel, machine tools, electronics, cars and trucks and our self defense?"

Caldwell emphasized that "there is no record of any major country becoming, or remaining, a greater power by relying upon service industries. To the contrary, every emerging country I can think of has — first and foremost — sought to establish a sound manufacturing and industrial capability."

The Ford chairman said several conclusions on the importance of the automobile industry stand out for him:

1. "The best hope for a strengthening world economy is a recognition of the crucial and unique role that manufacturing industries, in general, and the automotive industry, in particular, play," he said.

2. "Ours is still an automotive world and will continue to be for as far into the future as we can see."

3. "The automobile industry is a vital element of the economic and military security for both developed and developing countries the world over."

4. "The continued success of the automobile industry depends upon rational, coherent governmental policies that control it."

5. "Finally, the internationalization of automotive competitions portends some winners and some losers in the future automobile global sweepstakes."

On that last point, Caldwell said the private sector cannot do it alone for the industry in this country.

He said, "What is most needed, in my opinion, is a vision of the future, a national consensus among labor, management, academia and government, a long-term strategy that will restore our economy and our strength so that we can be competitive on the worldwide stage."

Chevy signs McGarrity

ANDREWS, Tex. — Chevrolet has franchised Michael J. McGarrity.

Truck production 29,093 for week; Ford back today

With Ford Motor Co. facilities on vacation, last week's domestic truck output was targeted at 29,093 units, up 24.38 percent over 23,390 built during the previous holiday-shortened week.

Last week's total was 12.38 percent above the 25,889 trucks assembled in the year-ago period.

Year-to-date, the makers have built 1,203,874 units, up 8.50 percent over the 1,109,600 completed in the 1982 period.

After a two-week vacation, American Motors' Toledo Jeep plant reopened last week with the start of 1984 model output. The first new Jeep vehicle in 20 years — the Jeep SportWagon — was assembled last Friday (July 15).

Ford assembly workers return to work today (July 18) after a two-week break.

Chrysler Corp.'s Warren truck plant worked daily overtime and Saturday (July 16) last week. General Motors' Detroit, Pontiac and St. Louis facilities also logged Saturday overtime.

Canada builds 13,081 cars, up 2 pct. for week

With three of the five Canadian car makers closed last week, production was scheduled at 13,081 units, up 2.79 percent from the previous week and 11.44 percent over 11,738 cars assembled in the year-ago week.

So far this year, 559,102 cars have been completed in Canada, up 10.61 percent from 505,456 built in the comparable 1982 period.

Truck output, at 8,444, was down 1.48 percent from the previous week's 8,571. Last weeks' total was up 27.53 percent from last year's 6,621.

Year-to-date, 292,089 trucks have been built, down 1.82 percent from 297,506 in the year-ago period.

Ford Motor Co.'s Oakville and St. Thomas facilities are in the midst of a three-week vacation which began July 4.

American Motors' Brampton point is back in operation today (July 18) after a four-week summer break.

Chrysler Corp.'s Windsor car plant is retooling for the T-115 van/wagon, which it will begin to produce during the first week of October.

International Harvester's Chatham and Vancouver facilities remained closed for model changeover. Operations there, idled May 23, are scheduled to resume July 25.

TRUCK PRODUCTION IN U. S.†

	Week Ended July 16, 1983	Week Ended July 17, 1982	Week Ended July 9, 1983	July to Date	Jan. 1 to July 17, 1982	Jan. 1 to July 16, 1983
CHEVROLET	18,502	15,732	15,272	37,130	390,999	431,269
DODGE	2,700	2,348	2,644	5,878	74,354	74,284
FORD	.....	.....	.....	4,028	386,161	461,762
GMC	5,444	5,159	4,359	10,785	143,970	140,624
INTERNATIONAL	247	.....	275	732	27,222	26,282
VOLKSWAGEN	.....	.....	.....	.....	8,103	2,079
JEEP	1,150	1,600*	.....	1,150	45,511	39,644
AM GENERAL	50*	50*	40*	100	1,280*	1,330
MISCELLANEOUS	1,000*	1,000*	800*	2,000	32,000*	26,660
Total Trucks, U. S.	29,093	25,889	23,390	61,801	1,109,600	1,203,874

CANADIAN TRUCK PRODUCTION

	Week Ended July 16, 1983	Week Ended July 17, 1982	Week Ended July 9, 1983	July to Date	Jan. 1 to July 17, 1982	Jan. 1 to July 16, 1983
CHRYSLER CORP.	2,199	2,089	2,332	4,891	59,312	72,736
FORD MOTOR	685	484	229	1,482	78,079	74,110
GENERAL MOTORS	5,560	4,068	6,010	12,470	153,690	141,377
INTERNATIONAL	.....	.....	.....	.....	6,425	3,216
Total Trucks, Canada	8,444	6,621	8,571	18,843	297,506	292,089
N. American Trucks	37,537	32,510	31,961	80,644	1,407,106	1,495,963

†—New includes window van production. *—Estimated.
Jeep includes commercial only. AM General includes government-destined vehicles.

U. S. CAR PRODUCTION

	Week Ended July 16, 1983	Week Ended July 17, 1982	Week Ended July 9, 1983	July to Date	Jan. 1 to July 17, 1982	Jan. 1 to July 16, 1983
AMERICAN MOTORS	2,325	1,600*	.....	2,325	32,319*	92,180
AMC Total	.....	.....	.....	.....	32,319*	4,071
Concord	.....	.....	.....	.....	.....	3
Eagle	.....	.....	.....	.....	.....	4,068
Renault Total	2,325	.....	.....	2,325	.....	88,109
Alliance	2,325	.....	.....	2,325	.....	88,109
CHRYSLER CORP.	14,800	6,520	14,869	32,823	334,432	468,078
Plymouth Total	5,300	2,974	5,586	12,081	137,414	167,095
Horizon	2,200	.....	2,048	4,740	42,159	59,071
Reliant	3,100	2,974	3,531	7,311	95,255	105,091
Caravelle ('83)	.....	.....	7	30	.....	2,933
Chrysler Total	2,700	1,296	3,113	6,450	66,283	111,868
LeBaron	1,200	1,296	1,175	2,587	66,283	51,365
Chrysler E-Class	1,500	.....	1,938	3,863	.....	60,503
Dodge Total	6,800	2,250	6,170	14,292	130,735	189,115
Omni	2,500	.....	2,338	5,443	39,995	67,575
Aries	2,200	1,619	2,023	4,678	71,124	77,884
Dodge 400	200	631	301	563	19,616	48,202
Dodge 600	1,900	.....	1,508	3,608	.....	25,454
FORD MOTOR	.....	.....	.....	6,336	612,210	768,808
Ford Division	.....	.....	.....	3,845	390,580	493,415
Escort	.....	.....	.....	675	155,973	136,944
Fairmont	.....	.....	.....	.....	69,193	23,728
Mustang	.....	.....	.....	694	72,685	63,944
LTD/Granada	.....	.....	.....	690	66,862	92,125
Thunderbird	.....	.....	.....	740	21,709	106,957
Crown Victoria/Ford	.....	.....	.....	399	.....	47,798
EXP	.....	.....	.....	.....	4,158	1,184
Tempo	.....	.....	.....	647	.....	20,735
L-M Division	.....	.....	.....	2,490	221,630	275,393
Mercury Total	.....	.....	.....	1,903	169,545	217,078
Lynx	.....	.....	.....	1,355	47,123	35,930
Capri	.....	.....	.....	137	18,203	12,335
Zephyr	.....	.....	.....	.....	22,775	8,601
Marquis/Cougar	.....	.....	.....	293	31,695	39,476
Cougar/XR7	.....	.....	.....	651	7,245	60,694
Gr. Marquis/Marquis	.....	.....	.....	306	41,590	53,671
LN7	.....	.....	.....	.....	914	290
Topaz	.....	.....	.....	161	.....	6,081
Lincoln Total	.....	.....	.....	587	52,085	58,315
Continental ('82)	.....	.....	.....	62	10,944	8,516
Lincoln	.....	.....	.....	346	23,501	30,406
Mark VI	.....	.....	.....	179	17,640	19,393
GENERAL MOTORS	89,313	79,981	71,978	178,310	1,354,320	2,118,152
Buick Division	20,425	17,059	18,074	42,622	431,445	496,522
Skylark	2,272	3,992	2,665	5,612	79,538	61,382
Skyhawk J	1,555	994	1,531	3,378	47,936	39,990
Century	3,875	3,483	3,040	7,713	74,334	88,691
Regal	5,141	4,453	3,953	9,959	112,710	137,396
Buick	6,362	4,137	5,908	13,518	95,719	143,745
Riviera	1,220	.....	977	2,442	21,208	25,318
Cadillac Division	5,861	3,828	5,548	12,606	137,979	179,613
Cimarron	340	322	276	680	2,698	11,309
Seville	580	.....	469	1,166	12,590	19,054
Eldorado	1,340	.....	1,078	2,687	34,312	41,890
Cadillac	3,601	3,506	3,725	8,073	88,379	107,360
Chevrolet Division	31,725	27,355	24,650	62,385	583,165	678,641
Chevette	3,820	5,766	3,267	7,923	127,094	101,631
Cavalier	7,999	2,407	6,331	15,918	48,890	152,726
Celebrity	5,440	1,632	4,297	10,746	39,040	70,813
Camaro	5,130	4,959	3,948	9,917	126,290	110,425
Citation	*1,440	4,960	1,172	2,904	102,361	59,778
Malibu	3,429	3,252	2,613	6,684	66,617	85,935
Monte Carlo	2,437	1,918	1,397	4,198	38,541	51,087
Chevrolet	1,405	1,853	1,128	2,849	17,964	33,746
Corvette	625	608	497	1,246	16,368	12,500
Oldsmobile Division	21,624	17,668	18,401	44,008	431,235	549,901
Omega	1,184	2,436	1,350	2,885	48,564	36,275
Firenza	880	1,103	887	1,966	33,947	26,672
Cutlass	6,360	5,808	5,281	12,690	110,999	157,865
Cutlass/Ciera	4,485	1,714	3,472	8,828	66,665	109,050
Oldsmobile	7,855	6,607	6,715	15,911	151,709	197,929
Toronado	860	.....	696	1,728	19,351	22,110
Pontiac Division	9,678	14,071	5,305	16,689	270,996	213,475
Acadian†	.....	258	166	218	7,505	9,612
2000	2,269	1,752	1,422	4,151	23,943	56,094
1000	1,240	1,506	534	1,969	20,962	23,107
Firebird	3,371	3,257	1,566	5,370	75,731	53,670
Phoenix	730	1,732	450	1,326	29,663	15,680
G. Prix/B'ville ('83)	2,068	3,848	1,167	3,655	89,880	55,312
6000	.....	1,718	.....	.....	23,312	.....
HONDA	1,400	.....	.....	1,657	.....	19,877
VOLKSWAGEN	.....	3,509	1,911	2,384	52,936	49,337
CHECKER	.....	.....	.....	.....	2,163*	.....
Total Cars, U. S.	107,838	91,610	88,758	223,835	2,888,880	3,516,432

CANADIAN CAR PRODUCTION

	Week Ended July 16, 1983	Week Ended July 17, 1982	Week Ended July 9, 1983	July to Date	Jan. 1 to July 17, 1982	Jan. 1 to July 16, 1983
AMERICAN MOTORS	.....	.....	.....	.....	14,192	15,532
CHRYSLER CORP.	.....	2,931	.....	.....	95,840	103,857
FORD MOTOR	275	150	278	2,137	172,295	120,633
GENERAL MOTORS	12,581	8,432	12,223	26,784	217,087	313,185
VOLVO	225	225	225	495	6,042	5,895
Total Cars, Canada	13,081	11,738	12,726	29,416	505,456	559,102
N. American Cars	120,919	103,348	101,484	253,251	3,394,336	4,075,534
N. American Trucks	37,537	32,510	31,961	80,644	1,407,106	1,495,963
North American Cars and Trucks	158,456	135,858	133,445	333,895	4,801,442	5,571,497

†—All Acadians and Caravelles are built for sale in Canada. *—Estimated.

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Rivals unleash new blast at GM-Toyota tie

By Geoff Sundstrom
Washington Reporter

WASHINGTON. — International joint ventures are the wave of the future, the Big Three conceded, but Ford Motor Co. and Chrysler Corp. are determined to stop the General Motors-Toyota linkup.

The GM-Toyota deal is "just traditional Toyota tokenism," Chrysler chairman Lee Iacocca told a House Monopoly Subcommittee last week.

If the agreement is disallowed, "Toyota will build cars in the U. S. on its own," he said.

The result of an FTC antitrust investigation of the proposed joint venture is due in September, but Iacocca asked the subcommittee to "go beyond the antitrust laws and look to the broad public interest."

Ford Vice President, David N. McCammon told the subcommittee the arrangement "does not represent a commitment by Toyota to U. S. production; rather it is designed to produce cars for GM with high Japanese content—in effect taking GM to Japan."

As they have earlier, both Ford and Chrysler claimed the venture would be a "clear violation of U. S. antitrust laws. Chrysler said the deal would give GM and Toyota 75 percent of the U. S. subcompact market, with product pricing influence over the rest of the industry.

Ford said it would lead to the exchange of significant competitive information resulting in an "abnormal competitive advantage" for the two industry giants.

• But GM pleaded innocent to its competitors' charges of monopoly, asserting that the venture is only a "bridge" until GM could develop its own subcompact.

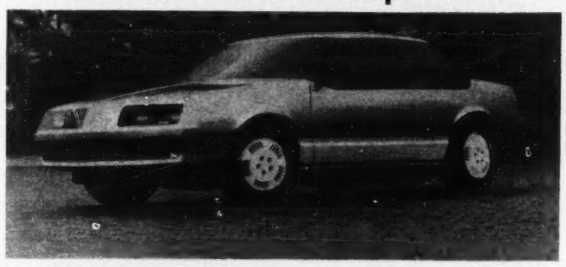
GM Vice President Marina Whitman told the subcommittee her company was engaged in the development of small cars independent of the joint venture vehicle and that GM viewed its cooperation with Toyota as a means of learning Japanese small-car production techniques first hand.

GM was quick to remind the committee that Ford, GM and Chrysler already own parts of, and are supplied by, Japanese auto makers.

Whitman said Ford and Chrysler would probably join GM in negotiating joint ventures of their own. Maybe they were sorry GM had beaten them

Continued on Page 38, Col. 1

Cavalier concept



The future by Fisher

Fisher Body's R&D department displayed its Chevrolet Cavalier-based concept car during last week's celebration of the division 75th anniversary. The all-glass greenhouse and hardware and trim-free exterior decrease wind drag. Other features include an infinite-position door hinge, motorized door latch that eliminates the need for door-slamming and programmable cathode ray tube instrument panel.

FTC to reconsider its earlier decision on used-car rule

By Helen Kahn
Washington Bureau Chief

WASHINGTON. — The Federal Trade Commission has voted, 3 to 2, to reconsider the used-car rule — the one recently reinstated when the U. S. Supreme Court overturned the legislative veto that had killed the rule.

Only three of the commissioners who voted unanimously for a watered-down rule in August, 1981, are still at FTC.

Commissioners Patricia Bailey and Michael Pertschuk continued their support of the rule, but Commissioner David Clanton, who is due to retire Sept. 25, switched his vote to join Reagan appointees Chairman James C. Miller III and George Douglas.

Miller, who has in the past favored only disclosure of existence of dealer warranties and/or service contracts and a statement that written promises are better than salesmen's claims, said:

"We need to demonstrate to both Congress and the courts that the commission is a responsible agency. We need to reexamine the rule to find a solution so clearly supported by the record that it will not fall prey to the same type of widespread disapproval and criticism that has plagued the existing rule."

• The FTC also decided to make the effective date for the revised rule six months after the end of litigation brought by NADA and the National Independent Automobile Dealers Assn. in the Second Circuit Court of Appeals in New York.

Those suits challenge the merit of the final rule and also question FTC's procedures in arriving at the weakened rule.

NADA said it was "encouraged" by FTC's decision to reconsider the rule which NADA has opposed as not providing effective consumer protection.

The FTC actions, NADA said, will "provide an opportunity to overcome the high cost and problems which the rule would cause if implemented in its present form."

NADA said it will happily work with FTC to develop an alternative. Earlier, NADA suggested FTC might accept its voluntary labeling program which does not require the dealer to reveal anything about a car's condition.

The rule which FTC will now consider required a sticker disclosing defects in major parts or components when known to the dealer.

Demand for wage parity with GM and Ford causes breakoff

Chrysler-UAW contract talks fail

By Marjorie Sorge
Labor Editor

The UAW and Chrysler Corp. failed to reach an agreement last week on a new contract that would have provided Chrysler workers an immediate $1 an hour wage hike and a 41 cent raise next year.

While the two sides agreed on the $1 an hour raise, they could not agree on when or if the workers would achieve parity with their counterparts at Ford and General Motors.

"I am very much disturbed that Chrysler Corp. was unable to step forward with the wage and benefit improvements that we feel very deeply the Chrysler workers deserve," said Owen Bieber, UAW president.

Bieber said the union expected the company to "negotiate a fair share of the corporation's renewed prosperity with the Chrysler workers . . . who made the greatest sacrifice of anyone in the Chrysler Corp."

The Chrysler workers have made about $1.1 billion in concessions since 1979 when the corporation was in poor financial shape. Chrysler made a profit of $310.3 million in the second quarter of 1983 and $172 million in the first quarter.

The company will also pay off its $800 million in federally guaranteed loans on Aug. 15, seven years early.

Chrysler Vice President Thomas Miner criticized the union for putting such a "take it or leave it" tone on the negotiations which began last Monday (July 25).

The UAW told the company a new contract must be reached by 5 p.m. on Wednesday (July 27), so union officials could catch planes from Detroit to attend the union's Chrysler Council meeting in Huntsville, Ala.

"We went a long way, we tried very hard for a company just bailing itself out of debt," Miner said. "Chrysler walked the last mile on this one."

• Miner further criticized the union for taking a "business as usual attitude" and said the UAW's proposals were so much more than the Chrysler offering that "we choked on it."

The UAW's proposal asked for full parity with Ford and GM in 1985, a $1 an hour up-front raise and profit sharing.

According to Miner, the UAW was asked if it wanted profit sharing on top of full parity and a wage increase, the answer was yes and Chrysler answered, "We aren't interested in that."

According to Miner, the company's proposal was for a two-year agreement, ending Sept. 14, 1985, which would have cost Chrysler $895.5 million over its life span. The current contract

Continued on Page 39, Col. 1

breaking news

Naughton retires from Chrysler

DETROIT. — John B. Naughton has retired as executive vice president of Chrysler Corp. He also retired from the Chrysler board of directors. Naughton, 61, came out of retirement in 1980 to become executive vice president—sales and marketing for Chrysler.

His retirement had been expected since Bennett E. Bidwell joined Chrysler in June as executive vice president. Bidwell took over the sales and marketing duties. Naughton retired from Ford Motor Co. in 1977 as group vice president—sales for North American Automotive Operations.

On leaving Chrysler, he said, "I did the job Lee Iacocca hired me to do, and I am leaving Chrysler Corp. to return to

See BREAKING NEWS, Page 8, Col. 1

Initial focus to be missing $17.6 million

U. S. task force to probe DeLorean

By Edward Lapham
Senior Editor

The U. S. Attorney's Office in Detroit is forming a task force to investigate John Z. DeLorean and his defunct auto company, Automotive News has learned. A federal grand jury could be impaneled within 60 days.

The task force will be headed by an assistant U. S. attorney and will include investigators from the Internal Revenue Service and the Federal Bureau of Investigation.

Investigators from the Securities and Exchange Commission, the U. S. Postal Service and U. S. Customs Service also are likely to join the team.

The initial focus of the investigation is the mystery surrounding the $17.65 million which disappeared from the sports car project in 1978.

However, it is likely the task force will expand the investigation to include other allegations of fraud, according to Automotive News sources.

Several weeks ago, a Detroit TV station, ABC affiliate WXYZ-TV, reported the FBI was investigating the reorganization plan proposed by DeLorean and an associate to save DeLorean Motor Co., now in Chapter 11 proceedings in U. S. Bankruptcy Court in Detroit. That investigation, still under way, is only a part of the Justice Department effort, however.

Apparently the U. S. Justice Department, which has an internal "double jeopardy" policy, has resolved its internal differences and decided to undertake the task force investigation.

Under the informal "double

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He outlines GM plans for big and small cars

Smith looks for a healthy 3 years

By Kathleen Hamilton
Financial Editor

A billion-dollar quarterly profit in a mediocre sales year is clearly just the beginning for General Motors, whose chairman, Roger B. Smith, last week outlined some of GM's plans to capture big- and small-car sales during what he expects will be a healthy three-year period.

Acknowledging GM is in short supply on certain models, Smith said the company is embarked on a very aggressive production schedule for the third quarter. GM probably will match its second-quarter build of more than one million cars, he said.

GM is positioned to expand its offerings of larger cars in response to demand, according to Smith. Baltimore, which now builds rear-drive intermediates, could continue to have larger-size cars or it could get a smaller product; that decision has not been made, Smith said.

But the closed South Gate (Calif.) and Lakewood (Ga.) plants are also options for large cars, he said.

"We're never going to abandon the American family," Smith said, citing the need for family-sized cars and vehicles capable of towing.

Twenty percent of U. S. families have five or more persons, and those demographics aren't changing much, he said. Families buy cars capable of meeting their largest needs, he said.

Fuel-economy credits from previous years should be enough to carry GM through the surge in demand for big cars, he said.

• Meanwhile, GM's small-car strategy — which relies heavily on joint ventures with the Japanese for at least awhile — is on schedule, according to Smith.

GM is now testing the Suzuki minicars and the subcompact Isuzus it plans to import in 1985. Its sales predictions for the Suzuki are in the range of 80,000 to 100,000 per year; for the Isuzu, about 200,000.

The Japanese Government, Suzuki and Isuzu will have to determine the allotment for GM if the import quotas are extended into 1985, Smith said.

He acknowledged GM and Toyota have already committed themselves to millions of dollars in expenses on their joint venture to produce subcompacts in California beginning in the 1985 model year.

But he expressed confidence that the money has been well spent: GM believes the FTC will approve the project.

The delay in approval has been due solely to translation and long distance, not to criticism by Chrysler Corp. or to any unusual requests by the FTC, Smith said.

GM has complied with all requests, and Toyota is nearly done, he said. The anticipated startup date of December, 1984, has not been affected, Smith said.

Meanwhile, the GM-Toyota labor negotiator, William J. Usery Jr., is in Japan and has completed a long series of talks with the UAW, Smith said. The two sides have agreed on all but a few issues, he said.

• In the U. S., eligible UAW members at GM will earn $400 to $600 in profit sharing this year if Wall Street analysts' projections for GM profits are accurate, Smith said.

Such profit-sharing plans should reduce the pressure for wage increases in the next bargaining round, he said.

Smith said his prediction of a 14.5-million sales rate for vehicles by the end of the year is still achieveable; it is now running at 12.5 million.

Uncertainty in the market, generated by high interest rates, is the only stumbling block, he said. If the recovery continues to be gradual, Smith predicted the upturn for autos easily could last through 1985.

Smith's remarks came prior to his appearance at a 75th anniversary celebration for Fisher Body at the Warren (Mich.) Technical Center. The division marked the event on separate days last week, inviting retirees, dealers, employes and government officials.

General Motors begins its 75th anniversary celebration on its birthday, Sept. 16, with entertainment at its Detroit headquarters. All plants will follow with open houses during September. Five casts of the Up With People singers will be giving about 170 performances in 50 GM plant cities.

A special car for a prince

The Meera S, a special Ferrari designed and built by Michelotti, of Turin, Italy, has been delivered to a young Saudi prince who wanted an exclusive car to drive during his stays in Europe. It combines the performance of a new Ferrari 400i with bodywork hand-made in the Michelotti shops.

Ford plans big outlay for robots, electronics

Ford may have redesigned its car lineup, but its capital spending for plant and product improvements hasn't yet peaked, Chairman Philip Caldwell said last week.

Ford plans to spend more than $3 billion a year for at least the next four years, much of it for plant robotics and automotive electronics, he said.

For 1983 models, Ford spent a few million dollars less than the $3 billion it had budgeted for such updates. Nothing was cut from the budget, however, Caldwell stressed. As in other areas, the company has simply become more efficient, he said.

Over the last four years, capital investment totaled more than $11 billion at Ford, and this was an 80-percent increase over the prior four years, he said.

Talking about the nearer term, Caldwell said Ford has recently added 30,000 vehicles to its production schedule to meet what it anticipates will be a 50-percent sales improvement in the second half compared with the second half of 1982. That would mean 978,000 car sales — even more than in this year's first half.

The scheduled reopening of the St. Thomas (Ont.) plant for production of large rear-drive cars has been accelerated from early 1984 to October, 1983, to accommodate recent demand for big cars. In addition, a second shift has been added at Wixom (Mich.) for production of luxury cars.

• Caldwell predicted industry sales will exceed 9 million cars this year and, "if we don't muck it up" with high interest rates, more than 10 million next year.

He's looking for Ford to take a bigger share next year, with its new offerings in the mid-size range. For example, orders for Tempo and Topaz already equal planned output for the remainder of the model year.

A two-liter diesel Escort, to be introduced next year, should put Ford on the EPA's Top 10 list for fuel efficient cars, he said.

Saying the trade imbalance between Japan and the U. S. is bigger than a single industry, Caldwell said an undervalued yen is an even bigger problem. Until it is brought into balance with the dollar, some arrangements should be made to compensate the U. S. industry, "and quotas are a good way to start," he said.

He said he has seen little progress from the U. S. Government on the trade imbalance and what he said are inequitable tax treatments by the Japanese. Action is needed soon, Caldwell said.

IH Truck Group breaking even, Springer reports

SPRINGFIELD, O. — Neil A. Springer, president, International Harvester's Truck Group, said the group now is operating at the break-even point, and expressed optimism that improvement in its big-truck sales will continue.

He attributed the improved operating results to an increased share of a smaller market and extensive cost cuts.

International's share of the Class 8 market through June, Springer said, had increased to 22.6 percent, compared with 20.5 percent a year ago, while its penetration of the medium-truck segment (Classes 4 through 7) rose from 28 percent last year to 32.5 percent.

Springer's comments came after a ceremony marking the completion of the transfer of heavy-truck production from Fort Wayne, Ind., to newer facilities in Springfield. The ceremony marked the start of production here of International's Model 9670 heavy trucks, previously built in Fort Wayne.

The consolidation of assembly here was cited as one of the firm's cost-cutting moves. While the consolidation cost close to $10 million, annual pre-tax manufacturing expenses will be reduced by $60 million, it was noted.

Extension of car quota described as unlikely

By Jim Plegue
Staff Writer

TOKYO. — Extension of the voluntary quota on Japanese cars exported to the U. S. is unlikely in view of the return to profitability by U. S. auto makers, the chairman of the Japanese Automobile Manufacturers Assn. (JAMA) indicated last week.

"U. S. auto makers are turning a profit and the key as to the turn of events with voluntary restraints is whether profitability will be sustained or not," said Takashi Ishihara, president of Nissan Motor Co., Ltd., and head of JAMA.

Ishihara's comments were made during a press conference with a group of U. S. reporters who were in Japan to preview the all-new Nissan 300-ZX sports car.

Ishihara said the rebound by U. S. auto makers is chiefly a result of the renewed popularity of mid-size and full-size cars and is not attributable to the Japanese import restrictions, which end next March. The current export limit is 1.68 million cars a year.

Ishihara said Nissan has no plans to introduce mid-size and full-size cars into the U. S. market.

He also used the press conference to criticize local-content legislation.

"It is inconceivable that American companies regain their competitive edge internationally by resorting to this . . . by shutting out the import of components," he said. "I strongly urge the U. S. Congress not to pass this highly protectionist bill."

• Nissan will not "under current circumstances" introduce additional lines in the U. S., he said. Earlier, the company had planned to sell its Prairie minivan in the U. S.

"I think U. S. dealers have more than enough models," Ishihara said. "Even if we added another model, it would not result in an increase in total sales."

Ishihara also said limited sales volume would not justify introduction of the Nissan March mini-car into the U. S. market.

Ishihara admitted that the competitiveness of U. S.-made compact trucks — Chevrolet S-10, GMC S-15 and Ford Ranger —took Nissan by surprise. He said Nissan must make improvements to its pickup truck line to remain competitive.

On the subject of passive restraints, Ishihara called air bags "impractical" and "insufficient to save lives."

"In view of the current technology, I'm not in favor of making air bags mandatory," he said.

Zenzo Sonoda, executive managing director and chief of Nissan Research and Development, said air bags are effective only in frontal collisions and said the mechanisms "leave something to be desired" in terms of reliability when produced in quantity.

Instead, Nissan is developing passive belt systems for its cars, Sonoda said.

Profits the key

Takashi Ishihara, chairman of the Japan Automobile Manufacturers Assn., said sustained profitability by U. S. auto makers will be a key factor in the decision regarding quotas on Japanese exports to the U. S.

Agency to study 55-MPH law

WASHINGTON.—A comprehensive study of the benefits and costs of the national 55-miles-per-hour speed limit has been launched by the National Research Council.

A 19-member panel, chaired by Dr. Alan A. Altshuler, dean of the Graduate School of Public Administration, New York University, has been selected to assess the safety, energy and economic effects of the speed limit law.

The panel will deliver its report to Congress and the Secretary of Transportation in August, 1984. NHTSA is funding the study.

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